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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ARCS & ANGLES, INC. and ZAHNER DESIGN GROUP LTD.,

07 Civ. 8352 (RPP)

Plaintiffs,

CONSENT JUDGMENT

-against-

ROYAL PACIFIC CORPORATION,

Defendant.

- A. Plaintiffs, Arcs & Angles, Inc. and Zahner Design Group Ltd., and defendant, Royal Pacific Corporation ("RPC"), have agreed to the entry of this Consent Judgment, which incorporates certain terms, admissions, and covenants of settlement as set forth in the Settlement Agreement resolving the dispute between plaintiffs and defendant.
- B. Each of the parties has read this Consent Judgment and agrees to be fully bound by its terms.

Therefore, IT IS SO ORDERED, ADJUDGED AND DECREED:

- 1. During the term of United States Patents No. 6,494,248 (the "248 Patent"), RPC and any officers, directors, shareholders, employees, successors and assigns of RPC, and all those in privity with RPC, shall cease and desist from any and all acts that infringe, or that could reasonably be considered to infringe, the 248 Patent, including without limitation:
- (a) manufacturing, producing, distributing, circulating, selling, offering for sale, advertising, promoting, or displaying devices for hanging products, including shower curtains, contemplated by the 248 Patent;
- (b) assisting, aiding, or abetting any other person or business entity in engaging in or performing any of the activities referred to in subparagraph (a) above.
 - 2. During the term of United States Patents No. 6,935,402 (the "402 Patent")

RPC and any officers, directors, shareholders, employees, successors and assigns of RPC, and all those in privity with RPC, shall cease and desist from any and all acts that infringe, or that could reasonably be considered to infringe, the 402 Patent, including without limitation:

- (a) manufacturing, producing, distributing, circulating, selling, offering for sale, advertising, promoting, or displaying devices for hanging products, including shower curtains, contemplated by the 402 Patent;
- (b) assisting, aiding, or abetting any other person or business entity in engaging in or performing any of the activities referred to in subparagraph (a) above.
- 3. RPC and any officers, directors, shareholders, employees, successors and assigns of RPC, and all those in privity with RPC, shall cease and desist from any and all acts that infringe, or that could reasonably be considered to infringe, the mark registered in the United States Patents and Trademark Office on the Supplemental Register as Registration No. 2,381,995 (the "HOOKLESS® Trademark"), including without limitation the display in any medium, now known or later developed, any image of any product sold under the HOOKLESS® Trademark, including but limited to HOOKLESS® brand shower curtains.
- 4. In addition to any other remedy provided by law, in the event that RPC is found to have breached any provision of Paragraph 1 or Paragraph 2 or Paragraph 3 of this Judgment, RPC shall pay to Arcs & Angles, Inc. liquidated damages in the amount of \$100 per day, per item, from the date of the breach through the date such breach is cured.
- 5. The Court shall continue to exercise jurisdiction over the parties for the purpose of interpretation and enforcement of the Settlement Agreement and this Consent Judgment.
- 6. The parties have consented to the entry of this Consent Judgment without further notice.

Dated: New York, New York
November ___, 2007
December 6 2007

United States District Court Judge

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THIS DOCUMENT WAS ENTERED ON THE DOCKET ON ____

Plaintiffs, Arcs & Angles, Inc. and Zahner Design Group Ltd., and defendant, Royal Pacific Corp., hereby consent to and approve the foregoing judgment as to form and content, hereby consent to the entry thereof without further notice, and hereby waive all rights of appeal that they, or any of them, may have from said Judgment.

ARCS & ANGLES, INC.

John Benis, Secretary-Treasurer

ZAHNER DESIGN GROUP LTD.

David Zahner, President

ROYAL PACIFIC CORP.

By:

By: Name: VICTOR KING

Title: President

STATE OF NEW YORK)
)ss
COUNTY OF NEW YORK)

On the day of Nevember 2007, before me, the undersigned, personally appeared John Benis, personally know to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

PETER LEVINE
Notary Public - State of New York
No. 02LE4981365
Qualified in Westchester County
Commission Expires 5/13/0711

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

On the day of November 2007, before me, the undersigned, personally appeared David Zahner, personally know to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

PETER LEVINE
Notary Public - State of New York
No. 02LE4981365
Qualified in Westchester County
Commission Expires 5/13/0/|

STATE OF CALIFORNIA)
1)ss.
COUNTY OF Los Ameles	_)

On the 28 day of November 2007, before me, the undersigned, personally appeared <u>Victor</u>, personally know to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the City of Harrenda 1445, State of California.

Notary Public-Chuk CHAN

